FBIS DAILY REPORT

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WARSAW PACT DISARMAMENT EXPERTS MEET IN SOFIA

AU211316 Sofia NARODNA ARMIYA in Bulgarian 20 Nov 86 p 1

[Text] Sofia, 19 November (BTA) -- A meeting of the working group of experts from the Warsaw Pact states on issues relating to reducing armed forces and conventional weapons in Europe took place in Sofia on 18 November. They discussed various aspects of the implementation of the program to reduce armed forces and conventional weapons in Europe set out in the Budapest appeal of the Political Consultative Committee of the Warsaw Pact states to the NATO member-states and to all the countries in Europe.

CEMA MATERIALS COMMISSION MEETS IN PRAGUE

LD280247 Prague CTK in English 1840 GMT 27 Nov 86

[Text] Prague Nov 27 (CTK) -- The second session of the Council of Mutual Economic Assistance (CMEA) Standing Commission for Cooperation in the Production and Processing of New Materials ended here today with the signing of a final protocol.

The session was presided by head of the Soviet delegation, Deputy Chairman of the Soviet State Committee for Science and Technology Vladimir Kudinov. The Czechoslovak delegation was headed by Minister of Metallurgy and Heavy Engineering Eduard Saul.

Discussed at the session was the implementation of the Complex Program of Scientific-Technological Progress of the CMEA member States Up to the Year 2000. The commission also approved measures concerning aid to Cuba, Vietnam and Mongolia in order to make possible their more active participation in the solution of tasks in this field.

An agreement was signed in the course of the session on cooperation in the development of progressive technologies of coating materials with hardening, abrasion-resistant and rustless substances, with the use of plasma, vacuum and explosion. [as received]

BRIEFS

CEMA SHIPBUILDING MEETING -- Warsaw, Nov 28 -- The Shipbuilding Branch Bureau of the CMEA Committee for Cooperation in Engineering wound up a four day meeting in the Baltic port of Gdansk today, making a major step forward to greater integration and cooperation among the nine members of the CMEA and Yugoslavia, represented in the bureau. Among its major decisions are arrangements aiming to assure complete cycle of processing jointly undertaken technical and production projects, from basic research through trading in the final product. The bureau called for narrower specialization in the shipbuilding industry, under which Poland would continue to specialize in development and production of fishing vessels, container and CON-RO ships and cold storage vessles. Until now, the system's weakness was that too many partners specialized in the same production. On long-range issues until the year 2000, also discussed by the bureau, it decided to accept into the long-range programme only products that will meet world standards, for which special CMEA norms are to be defined. [Text] [Warsaw PAP in English 0751 GMT 29 Nov 86 LD]

ALIA GREETS SFRY'S HASANI ON NATIONAL DAY

AU291715 Tirana ATA in English 1138 GMT 29 Nov 86

[Text] Tirana, November 29 (ATA) -- The president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, Comrade Ramiz Alia, sent the following message of greetings to the chairman of the Presidency of the Socialist Federal Republic of Yugoslavia, Sinan Hasani:

"On occasion of the national day, the anniversary of the proclamation of the Republic, on behalf of the Albanian people, the Presidium of the People's Assembly and in my name, I convey to you wishes for the happiness of the peoples of the Socialist Federal Republic of Yugoslavia and the prosperity of the country."

KORBECI, PLAKA ATTEND SFRY EMBASSY RECEPTION

AU282012 Tirana ATA in English 1030 GMT 28 Nov 86

[Text] Tirana, November 28 (ATA) -- On occasion of the National Day, the ambassador extraordinary and plenipotentiary of the Socialist Federal Republic of Yugoslavia to the People's Socialist Republic of Albania, Novak Pribicevic, gave a reception at the embassy seat yesterday.

The reception was attended by the minister of foreign trade, Shane Korbeci; the vice minister of foreign affairs, Sokrat Plaka; the vice minister of communications, Ferdinand Tako, and other guests.

Present were also officials and functionaries of the diplomatic representations accredited to the People's Socialist Republic of Albania.

AUSTRIA SIGNS SCIENTIFIC COOPERATION AGREEMENT

AU282011 Tirana ATA in English 1032 GMT 28 Nov 86

[Text] Tirana, November 28 (ATA) -- The agreement on the scientific cooperation between the Academy of Sciences of the PSR of Albania and the Academy of Sciences of Austria was signed in Tirana yesterday.

For the Academy of Sciences of the PSR of Albania, the agreement was signed by its president, Prof. Aleks Buda, whereas for the Academy of Sciences of Austria the agreement was signed by its president, Prof. Dr. Johann Tuppy.

The signing ceremony was attended by the chairman of the Science and Technique Committee, Ajet Ylli; the chairman of the Albanian Committee for Cultural and Friendly Relations with Foreign Countries, Jorgo Milica; the vice rector of the "Enver Hoxha" Tirana University, Hasan Mucostepa, as well as the members of the two delegations.

The agreement envisages the exchange of scientists for scientific researches, further qualification, the delivery of discourses, the mutual participation in scientific conferences and other activities, the exchange of scientific and technical publications, information and other documents.

On this occasion the president of the Academy of Sciences, Prof. Aleks Buda gave a dinner.

AWP PAPER EXAMINES SOVIET ECONOMIC REFORMS

AU292128 Tirana ZERI I POPULLIT in Albanian 23 Nov 86 p 4

[Editorial: "The Soviet Revisionists Make Legal the Forms of Transition to Classical Capitalism"]

[Text] On 19 November the Supreme Soviet of the Soviet Union passed a law on private labor. The law defines 29 kinds of private labor which will be permitted in the production and service sectors, from housing construction and repair, the manufacture and repair of footwear, furniture, and household equipment, down to automobile repairs, transport, agricultural labor, and teaching. In fact, as the meeting of the Supreme Soviet declared, the list of lawful kinds of private activity will be longer, and it will be left to regional authorities to extend it further. Soviet officials and press organs, though plenty in number, did not give great publicity to the passing of this law, but in the West propagandists of free enterprise welcomed it with particular enthusiasm.

The private sector in the field of production and in some services has both been permitted and given priority in the Soviet Union since the usurpation of the party and state leadership by the Khrushchevites. To give an idea of the size of the private sector in this country, let us mention that 32 million people are employed in it -- workers, collective farmers [kilkoziane], and clerical staff. According to data provided by the Soviet newspaper EKONOMICHESKAYA GAZETA, the result is that 25 percent of the general national agricultural production is produced by the private sector; when divided into particular areas, it emerges that this sector produces 50 percent of the fruit, 58 percent of the potatoes, 30 percent of the vegetables, 28-29 percent of the milk, 24 percent of the wool, etc. With the new law, a qualitatively new phase will begin.

Hitherto, as prescribed in a particular article of the Soviet Constitution of 1977, individual private labor has been permitted, while the new law permits the private activity of groups of people, and the creation of private enterprises. The new law extends the sphere and nature of the extent of private labor, and the forms of its organization. The private sector has hitherto been permitted in agriculture and some services, but with the new law it extends into industrial production, transport, etc. For the first time, professions and intellectual labour may be included in the private sector, thus creating a more complete cycle of social and economic organization of a private character.

The approved law on private labor represents a new direction in Gorbachev's political and economic strategy. Of course the privatization of production and services no longer comes as a surprise in the modern Soviet Union, a country in which capitalism has been reimposed, in the form of monopoly state capitalism of a particular kind. Privatization in the Soviet Union, in individual and group form, quite independently of its speed or extent, is of the same economic and ideological nature as state capitalism. It develops within the framework of capitalist production relations. The special aspect of the process taking place in the Soviet Union is the country's adoption of the forms of classical private capitalism, and the transition from a state monopolist organization of a particular kind to individual and group private organization. With the new law, the Soviet leadership permits precisely this process of transition to classical capitalism. The creation of enterprises or cooperatives of the present "family group" type clearly expresses the tendency of development toward classical capitalism. This means that in the Soviet Union today, surplus value goes not only into the pockets of the new bourgeoisie, according to the positions its members have seized in the hierarchy of the state, the party, the army, science, the arts, and so forth, but also into the pockets of certain private persons and groups according to the scale of their capitalist activity. [paragraph continues]

TASS vainly attempts to hide this with the comment that "the new law only permits members of a family to work together in their individual work activity." This "family" character does not contradict the capitalist nature of property. This kind of management and ownership of capital within a family is well-known in classical capitalism too. This was so at the beginning of the capitalist order, and is true today in developed capitalist countries, where powerful capitalist groups can be identified with definite family circles. It is well known that the "family" concept in the economic, financial, and trading sphere is extremely broad, and creates the conditions for every greater private capitalist activity.

What are the motives which urge the Soviet leadership to justify the transfer of the organization of the economy and production to the basis of private initiative and free competition? The state monopolist structure of a particular kind which was imposed in the Soviet Union did not bring results. It failed economically and caused dissatisfaction among the masses. The scale of the crisis is such that it is confirmed by the Kremlin leaders themselves. One of the basic aims of the "restructuring" and modernization of the economy that Gorbachev has undertaken is indeed to emerge from economic difficulties, stagnation and decay. It is not irrelevant that the USSR Government, in its relations with Western capital, now seeks and has made legal the creation of joint companies with private investors, who may provide up to 49 percent of the capital, are permitted to reinvest their profits in the Soviet Union, and may involve themselves in the foreign trade operations of these companies.

The law makes official and intensifies the well-known capitalist process of class polarization, in which money and wealth accumulate in the hands of a few, who live on the backs of the broad working masses. "Money," stressed Lenin, "is a license to grab hold of social wealth, and the class of many millions of small property owners holds on tight to this license." This class continually gives birth to new capitalists. Apparently, the Soviet leadership and the whole capitalist order imposed upon the country do not feel themselves secure, in either their economic or their political plans, and as a result have a major need to rely upon a powerful class of private capitalists.

So, "real socialism" emerges as a form of transition between the state monopolist and the private forms of classical capitalism. The privatization of state activities, like the nationalization of private sectors, is a well-known phenomenon and process in capitalist countries. The Soviet Union is following the same road, and will meet the same consequensces as the classical capitalist countries. The Soviet leadership has excessive faith in private capitalism, a kind of faith that has been lost by even the Western apologists for this kind of capitalism themselves, so violently has it been shaken by events.

BULGARIAN TRADE DELEGATION DEPARTS 27 NOV

AU282010 Tirana ATA in English 1025 GMT 28 Nov 86

[Text] Tirana, November 28 (ATA) -- The government trade delegation of the People's Republic of Bulgaria, headed by the minister of trade, Khristo Khristov, left our country, on November 27.

The delegation was seen off at the airport by the minister of foreign trade, Shane Korbeci, the head of department at the Ministry of Foreign Affairs, Izedin Hajdini, and others. Present was also the charge d'affaires a.i. of the Embassy of the PR of Bulgaria in Tirana, Jordan Iliev.

During its stay in our country the delegation visited social, cultural and historic centers in the cities of Tirana, Durres and Kruje.

LUKANOV RECEIVES USSR COMMUNICATIONS MINISTER

AU260919 Sofia RABOTNICHESKO DELO in Bulgarian 22 Nov 86 p 6

[Text] On 21 November Andrey Lukanov, candidate member of the BCP Central Committee Politburo and first deputy chairman of the Council of Ministers, received Vasiliy Shamshin, USSR minister of communications.

They discussed the state of bilateral cooperation in producing communications equipment, as well as cooperation in communications. Special attention was paid to the new directions of developing this equipment with the view to satisfying the two countries' needs.

The meeting was attended by Krustyu Stanilov, deputy chairman of the Economic Council, and Atanas Popov, chairman of "Communications" Economic Trust.

MINISTERS ISSUE DECREE ON HOUSING CONSTRUCTION

AU281419 Sofia BTA in English 1207 GMT 28 Nov 86

["Decree on the Development of Housing Construction" -- BTA headline]

[Text] Sofia, November 28 (BTA) -- The Council of Ministers and the National Council of the Fatherland Front have issued a decree on the establishing of conditions for the cooperative construction of housing. 120,000 flats must be built in the country in this way by 1990. The aim is to adopt a new architectural and urbanist concept and to create the conditions enabling individuals and teams to build their own houses or flats in such a way. The construction work will be carried out by enterprises on the basis of contracts with the municipal councils. The Central Cooperative Union is being ordered to set up cooperatives for the construction of housing, for trade with building materials and the provision of building services.

The State Savings Bank will be offering loans to individuals for the construction of housing of up to 18,000 leva repayable in 30 years.

The decree orders all construction of buildings over 3 storeys high to be stopped in all villages and in 194 towns as from July 1 1987. The average height of the buildings in the new development projects in Sofia and in the other major cities should be reduced by 2 to 3 floors.

The buildings in the low-rise city districts and in the villages will be constructed for the needs of one household each. Single-room flats (a flat consisting of a single room with a kitchen niche) will not be built any more. The construction of single-room flats with a separate kitchen will be stopped in Sofia only as from January 1 1988.

The decree blocks the territorial growth of all municipalities unless they have developed all available land within their boundaries. Unproductive or deserted lands will be given priority when constructing housing projects.

The decree envisages a considerable improvement of the architecture and comfort of the buildings.

REAGAN'S ROLE IN U.S.-IRAN AFFAIR VIEWED

AU281227 Prague RUDE PRAVO in Czech 27 Nov 86 p 7

[Zdenek Porybny Washington dispatch: "Will the Scandal Be Hushed Up? The Specter of Watergate Is Haunting the White House" -- passages between slantlines published in boldface]

[Excerpts] /The worst scandal in Washington since Watergate, which poses the greatest threat to the presidential office since that time," [quotation marks as published] this is how THE WASHINGTON POST on 26 November characterized the gradual revelations about the unlawful activities of President Reagan's close aides in connection with the secret funding of Nicaraguan counterrevolutionaries at a time when a Congressional bill explicitly forbade this./

Despite President Reagan's claim that he was unaware of the illegal deeds of his subordinates in the National Security Council, a number of people who know from their own experience the administrative process in the White House publicly express their doubts. [passage omitted quoting Alexander Haig to this effect]

Scapegoats [subhead]

Even Reagan's usual supporters do not believe that an ordinary lieutenant colonel of the Marines would be able to organize of his own will a secret illegal operation involving four different countries (Iran, Israel, Switzerland, and the United States) and the Nicaraguan counterrevolutionaries. [passage omitted quoting Henry Kissinger to this effect]

A number of commentators agree with the opinion that has been voiced by THE NEW YORK TIMES: "Many regard the sacking of Lieutenant Colonel Oliver North from the National Security Council, where he dealt with both Iran and the Nicaraguan rebels or 'contras,' as the final outcome of the search for a scapegoat." /R. Squier, a Democratic Party official, was more outspoken: "It is as if they were rummaging in the White House archives and found Nixon's old plan. You throw a few people to the wolves, let out a bit of information, and hope that it will work."/ [passage omitted]

President's Responsibility [subhead]

The question being asked in Washington political circles is to what extent it is possible to trust the President's claim that "he was not informed" about the illegal action of his subordinates and, in the event that he is speaking the truth, what control he in fact has over the policy of his administration. [passage omitted]

These are exceptionally important questions, especially in view of the fact that /Reagan's subordinates violated at least five valid U.S. laws./ [passage omitted]

Reagan has already appointed an investigating commission that should "restore the trust of the American people." [passage omitted] However, the question is whether Congress will be willing to reach down to the bottom of the turbid well of the secret operations by the apparatus of the White House and draw all the necessary conclusions if it ascertains a violation of the laws. T. Foley, a Democratic member of the House of Representatives, said that "I fear that this might happen. I do not want to see a crippled administration." A similar view has also been expressed by other members of Congress, who advise Reagan to establish order in his staff as soon as possible and restore the credibility of his administration.

The big question is to what degree Reagan will succeed in this. The fact is that this scandal is only the latest expression of arrogance of power, which has been characteristic of his entire presidency, in domestic and foreign policy alike.

Although the "teflon President" -- as Reagan is called because of his dexterity in manipulating public opinion and the ability to emerge politically unstained from scandals that would be fateful for other politicians -- is finding out these days that his shell is cracking, there is nothing to suggest that, aside from a handful of people in his surroundings, he also intends to change his political approaches, approaches that in the final analysis led to the violation of U.S. laws by his subordinates.

PRC TRADE UNION OFFICIAL DISCUSSES VISIT

AU261349 Prague PRACE in Czech 17 Nov 86 p 1

["BS"-signed report: "Head of Chinese Trade Union Delegation on Results of Visit to CSSR; Developing Friendship And Cooperation"]

[Text] A delegation of the All-China Federation of Trade Unions [ACFTU], which paid an official friendly visit to our country at the invitation of the Central Council of Trade Unions [URO], is leaving Prague by air 17 November. The head of the delegation, ACFTU Secretary Wang Shenxiang, has told our correspondent during the visit:

Throughout its visit to your country, our entire delegation was given an attentive and warm reception at all levels, beginning with the URO and ending with the primary trade union components. We were exceptionally impressed by the meeting and talk with Comrade Karel Hoffmann, member of the Presidium of the CPCZ Central Committee and chairman of your URO.

Our talks were held in a friendly, comradely, and cordial atmosphere. This is evidence that the relations between our trade union organizations have not only been restored, but that they will continue to develop on a new foundation. In the talks with an URO delegation we agreed on a plan of cooperation and exchanges of delegations for next year which, compared with this year, are being doubled, a matter which is a great step toward the development of our relations.

During our stay we saw the great successes achieved by your workers class and your people under the leadership of the CPCZ, we saw how happily your people your workers class, and the working people of the CSSR live. We see how successfully the Czechoslovak trade unions participate in the realization of the conclusions of the 17th CPCZ Congress. We acquainted ourselves with the tasks and the activity of the Revolutionary Trade Union Movement, which plays a significant role in the construction of socialism. These are experiences from which we can learn for our work. A traditional friendship exists between our working people and the trade union centers of our countries, which both sides are trying to develop further. I firmly believe that the relations of friendship and cooperation between the CSSR and the PRC and between our trade union organizations will exceed the level achieved in the fifties, that we are entering a new stage of relations.

Proceeding from the fundamental interests of the people and trade unions of our countries, our organization will educate its members to proceed in unity in the endeavor to build socialism and in the struggle for maintaining world peace. On this occasion, I would like to convey, in the name of 85 million Chinese trade unionists and the workers class, cordial greetings to the CSSR workers class and all working people. I wish the Czechoslovak people many further successes, luck, and health.

HONECKER ADDRESSES SED CENTRAL COMMITTEE 21 NOV

LD211612 East Berlin NEUES DEUTSCHLAND in German 22-23 Nov 86 pp 3-4

["From the Concluding Speech by General Secretary of the SED Central Committee Erich Honecker at the third session of the Central Committee on 20 and 21 November 1986, headlined "With Initiative, Creativity, and Elan We Are Implementing the Resolutions of Our 11th Party Congress"]

[Text] Berlin, 21 Nov (ADN) -- The course of the discussion on the report by the Politburo and on the 5-Year Plan for the Development of the National Economy up to the year 1990 has been an exchange of experiences regarding the implementation of the decisions of the 11th Party Congress. The main content of this exchange of experiences shows us the way in which we can successfully continue both in the domestic and foreigh policy field the dynamic development which derives from the realization of the decisions of the 11th Party Congress. Basically, it is only now becoming clear to the full extent that the decisions of the 11th Party Congress have handed our party, indeed our people, the key to solving the main task of the present time: the further shaping of the developed socialist society in the GDR in line with our concrete historic conditions, in the spirit of our party's program.

The problems we face in the foreign policy field are for us clear and plain. It is necessary to secure peace, to avert the danger of a nuclear inferno. Both now and in future, this means that a strong socialism is also a secure peace, because a strong socialism will check the readiness to take risks of those who back a policy of strength and not a policy of reason and realism. We are of the opinion that in the present dispute the strategy of mutual security will in the final analysis preserve mankind from a nuclear inferno. In this, we touch on the core of the proposals made by Mikhail Gorbachev in Reykjavik, which have within a short time captivated the world.

In the discussion reference was therefore rightly made to the historic significance of the Reykjavik meeting. The proposals submitted by Mikhail Gorbachev not only accord with the most fundamental interests of the Soviet Union and the United States but with those of the whole of mankind. This finds its expression in the appeal made by the USSR Supreme Soviet to all the peoples of the world resolutely to create the practical transition to a world without nuclear weapons and an equal security for all states. The Soviet Union proposes reducing the strategic offensive weapons of the USSR and the United States by 50 percent within 5 years, completely eliminating the medium-range missiles of the USSR and the United States in Europe and radically reducing the number of the missiles in this class in Asia.

It proposes that the USSR and the United States commit themselves to not make use for 10 years of their right to withdraw from the 1972 indefinite treaty on limiting missile defense systems and to continue to strictly observe all its requirements. The Soviet Union is against SDI and in favor of consolidating the ABM Treaty. It further proposes that the USSR and the United States begin negotiations on a complete end to nuclear tests. There is also the proposal made by the Warsaw Pact states in Budapest on disarmament in the conventional field from the Atlantic to the Urals.

All this prompts the world to take notice, because it makes it clear how it can emerge from a situation which it has been maneuvered into by the Western arms lobby and their representatives. The fact that the United States did not show itself to be very flexible in Reykjavik and caused the meeting to fail by sticking to the program for preparing "Star Wars" is regrettable. [paragraph continues]

However it in no sense narrows the impetus that was given by the Soviet Union's proposals towards conducting serious disarmament talks.

We have made this clear standpoint the basis of our entire foreign policy activity, and as I said in Moscow at the meeting of the general secretaries and first secretaries of the parties from socialist countries which are members of the CEMA, the GDR will continue to make an active contribution to the common peace policy of the socialist community of states.

As you were able to note from the material presented, the results of the exchange of views at this meeting are of historic, fundamental significance for the further development of our cooperation, for strengthening the unity and cohesion of our ranks. They have introduced a new phase in the relations between our parties and socialist countries. The cooperation of our parties and states on the basis of the principles of equality, indepence, autonomy, and the responsibility of our parties to their own peoples received a new impetus, both in the field of solving the topical problems of socialist construction and the implementation of socialist economic integration, as well as in the struggle for peace and disarmament in the international arena.

I would like to stress that the most important problem we face is averting the danger of a nuclear inferno, which is being conjured up by the arms escalation strategists of the United States and those who support them. This danger can only be averted if nuclear weapons disappear from the planet by the year 2000, if a new round of the arms race and its expansion into space is prevented. The significance of the proposals made by the Soviet Union and the other Warsaw Pact states, and also -- not in the least -- the positive results of the Stockholm Conference and in particular of the fact that the Soviet Union has maintained its moratorium for 15 months and undertaken no nuclear tests in this period, must be seen in this light.

It is of great significance that the elimination of the nuclear arsenals, particularly in Europe, has moved to the forefront of attention following Reykjavik. The fate of Europe must not be allowed to fall victim to SDI. There must be some movement here. I am thinking of the creation of a corridor free of nuclear theater weapons in the center of Europe -- that is to say, at the dividing line between Warsaw Pact and NATO, of the initiative of the CPCZ and SED, which meets with the support of not just the socialist states. I am thinking of the establishment of a zone free of nuclear weapons in Northern Europe and in the Balkans, and also of the joint proposals to create chemical weapons-free zones.

In short, we have an excellent peace program; we have answers to all questions whose solution would contribute to averting a nuclear inferno. In connection with the far-reaching proposals that Mikhail Gorbachev has submitted, with the proposal to liberate Europe from medium-range missiles, some Western governments have brought up the question of short-range missiles. We can also give a clear answer to this question. If the question of the medium-range missiles is solved, then there will no longer be any need to have tactical missiles (under 1,000 kilometers in range) in the GDR. There would then be the possibility of removing these devilish things from the territory of the GDR.

Our party and state leadership have described the Reykjavik meeting as an historic event. Because of Mikhail Gorbachev's explanations at his Reykjavik press conference, such a description is certainly justified. Reyjkavik was a great gain for the socialist world -- a gain for the whole of mankind. All attempts by the Western side to drag the world back behind Reykjavik at future arms control negotiations are out of place, and are not in accord with reality.

Mutual agreement was achieved in important areas in Reykjavik. Mikhail Gorbachev represented a firm, principled, and at the same time elastic position. This was and is marked by the readiness to enter into well-founded compromises aimed at the successful defense of peace. The main obstacle to agreements is the stubborn insistance of the U.S. Administration on SDI, on the preparation for Star Wars. The lack of readiness by the U.S. Administration to solve the fundamental question of the present, the question of war and peace, cannot be overlooked.

We are resolutely continuing our peace course, the course of dialogue and cooperation. Here too, like Lenin, we regard it as necessary to increase the political vigilance toward the warmongers of imperialism, toward subversive actions by the enemies of peace and socialism, toward their psychological warfare. It is necessary everywhere to answer openly peoples' questions in connection with the diverse topical problems of the struggle for peace, including those regarding the attitude of the opponents of disarmament.

A good half year has passed since the 11th party congress made fundamental decisions, in line with our party's program, on the further shaping of the developed socialist society in the GDR. In this way we are making the advantages of and driving forces inherent in socialism more effectively felt in the interests of strengthening the GDR, the wellbeing of its citizens, and the securing of peace.

In this spirit we are consistently continuing the unity of economic and social policy, which forms the main battelfield of our party. The economic strategy, with a view to the year 2000, gives the decisive orientation for this. The report by the Central Committee adopted by the 11th party congress, the directive of the party congress on the development of the national economy in the period 1986-90 and the speech dealing with this are the determining basis for our overall social advance.

As is seen, the decisions of our 11th party congress deeply influence the life of our people. The dynamism of development has increased. In many areas impressive results have already been achieved. In this we are always guided by the high yardsticks of the 11th party congress and we know that what has been achieved is not yet all that can be achieved.

We are therefore working on the basis of being able to continue to place great trust in the creative initiative of the people, just as the people have trust in the policy of our party. The broad discussion conducted in connection with the implementation of the decisions of the 11th party congress has assumed an extraordinarily large extent, not only in terms of the number of proposals. These ideas and solutions, and the real results already achieved in part on their basis, are extraordinarily valuable. This is already confirmed for example by the contribution made here by comrade Hans-Joachim Boehme. He reported that in the Halle Bezirk, over 700,000 working people took part in the plan discussion and submitted approximately 68,000 proposals. The climate of creative thinking and acting together marks the atmosphere. Many of the results that have derived from this are already forming the basis for the tasks contained in the documents on the 1986-90 5-Year Plan, the 1987 National Economic Plan, and the 1987 State Budget Plan.

The whole atmosphere and the constructive, forward-pointing discussion at our Central Committee session are an eloquent expression of this. We can say with complete justification: All basic issues of the policy of our party for the strengthening of socialism in the GDR and for the safeguarding of peace have been dealt with in the spirit of the resolutions of the 11th congress. This reflects the clear course of our party, its unity and cohesion, its firm course directed at the deepening of the relationship of trust between party and people.

The resolutions of the 11th congress have prompted a great mass initiative in socialist competition and in all areas of social life. It is sustained by the recognition of our country's citizens that high economic performances are a secure foundation for the policy of our party, which is directed at the well-being of the people, the all-round strengthening of socialism and the safeguarding of peace. In its turn, the unity of economic and social policy, as the key part of our party's economic strategy with a view to the year 2000, works as a strong motor. It corresponds fully and completely to the interests of the working class, the cooperative farmers, the intelligentsia, the craftsmen and tradesmen, the members of the armed forces, the young people and the veterans of labor. This course has been marking our good development for more than 1 and 1/2 decades. Dynamic growth in production and its effectiveness goes together with full employment, increasing national prosperity, high education for all, and science and culture which continue to blossom.

All this will determine even more the picture of our socialist GDR in the coming years. The steps in this direction will be laid down in the document of the 5-Year Plan for the development of the GDR national economy in the years 1986-90, which is available. This plan is the program of work of our party and all the people of the GDR from the further implementation of the resolutions of the 11th congress.

In our country, social security and reliable prospects characterize life under socialism, and motivate people's actions. Realities in the Western hemisphere speak a different language. Despite a slight economic revival over the last 4 years, the number of unemployed in the 24 most developed capitalist countries has trebled since 1970, and now totals more than 31 million. It is quite openly stated there that almost three quarters of the unemployed have a personal stigma -- they are either too old, or too long out of work. That means that they cannot obtain qualifications and thus lose the chance ever to obtain work again. According to latest information, in the EC states alone, almost half of all those seeking work fall into this category of the "no-hopers," as they are called, because they are part of the long-term unemployed.

In view of these realities, everyone can see that the fine talk of human rights, with which the politicians of western states are always ready, is not worth a light. Human rights are realized where exploitation of people by people is abolished, where the right to work and a job is guaranteed, and where the people can develop their creative strengths, talents and capabilities to their own benefit, as in our socialist GDR.

Closely linked with the deep commitment to the SED's policy, conscious activities, everywhere, in both town and country are being developed on a broad scale with the binding competitive challenge to achieve the highest economic performances in the main battle station, the unity of economic and social policy. This is reflected in the impressive balance sheet we were able to draw up in the year of the 11th congress. Thus it is of great significance that the growth in produced national income of 4.3 percent rests for the first time exclusively on increased labor productivity. Of equal value is the fact that at 8.8 percent, labor productivity in industry increased more quickly than net production with its considerable growth rate of 8.6 percent. In the construction industry too, labor productivity, at 7 percent increased more rapidly than net production, which grew by 6.2 percent.

Important achievements were produced by socialist agriculture. Despite unfavorable weather conditions, an average grain yield of 46.3 decitonnes [unit of weight as received] per hectare was achieved. The record result of last year was thus exceeded. [paragraph continues]

Comrade Siegfried Lorenz demonstrated this with the example of Karl-Marx-Stadt Bezirk, where 49.7 decitonnes of grain and 263 decitonnes of potatoes per hectare were harvested. Consumer goods worth M320 million additionally supplied, as mentioned by him, are also very important.

Top achievements by many cooperatives are already being carried out for the plan fulfillment of our agriculture. What is possible, however varied the soil readings, is demonstrated by the fact that some LPGs [agricultural producer cooperatives] on different fields have for example produced yields of 72.5 to 100.8 decitonnes per hectare of winter grain. Thus Ginst publicly-owned farm on Ruegen Island harvested 100.8 decitonnes per hectare, the Klosterhaeseler LPG in Naumburg Kreis, 93.8 decitonnes, the Ossmannstedt LPG in Apolda Kreis, 90.1 decitonnes, the Veelboeken LPG in Gadebusch Kreis, 88.7 decitonnes, the Moeckern LPG in Altenburg Kreis, 88.3 decitonnes, the Schwaneberg publicly-owned farm in Wanzleben Kreis, 88 decitonnes, the Burow LPG in Altentreptow Kreis, 87.8 decitonnes, the Blankenhain LPG in Werdau Kreis, 75.4 decitonnes and the Letschin LPG in Seelow Kreis, 72.5 decitonnes.

There are also outstanding results in the case of potatoes. The Goehlen LPG in Ludwigslust Kreis produced 602 decitonnes per hectare, the Ducherow LPG in Anklam Kreis 520 decitonnes, the Rothenschirmbach LPG in Guerfurt Kreis, 500 decittones, and the Ossmannstedt LPG in Apolda Kreis, 485 decitonnes. In the case of sugar beet, the Bottnersdorf LPG in Wanzleben Kreis harvested 640 decitonnes per hectare, the Striegnitz LPG in Meissen Kreis, 596 decitonnes, and the Langenweddingen LPG in Wanzleben Kreis, 560 decitonnes.

Even on the assumption that such yields cannot be achieved everywhere, it is nevertheless seen that our plan targets are realistic. It is important, by means of exchange of experiences, to generalize the best methods which result in higher yields.

This 5-Year Plan sets high demands because it rests on the requirements and necessities of our further social development. In this connection I would like to refer to my visits this summer to Erfurt, Soemmerda, Gierstaedt, Jena and to Karl-Marx-Stadt. What emerged so clearly at the time has overall importance for all our future work, in which we must solve fresh and greater tasks.

In my talks with workers, engineers, responsible managers, party secretaries and trade union shopstewards there was evidence of great receptiveness to the party's policy. At the same time it was understood that the decisions of the 11th congress have set new, higher yardsticks for our work. This is my assessment of the atmosphere in enterprises and combines, in agriculture, and in all other spheres.

In many areas new intellectual, moral and material preconditions have been created in order to master, with the socialist planned economy and with the combines, the key and high technologies, and to guarantee at the same time social security of improved working and living conditions. These are qualitatively new opportunities to advance the dynamic economic growth of the GDR as a basis for the further improvement of the material and cultural living standard of the people. They are at the same time greater challenges.

Such an assessment of the economic prospects for the GDR has to determine the approach to the implementation of the 5-Year Plan. This is already expressed in the tasks for the 1986-90 5-Year Plan and the 1987 National Economic Plan. It is also shown in the daily efforts made toward realizing the targets set for 1986. Increasingly we are proceeding from the premise that our undertakings call for concentrated and well-organized work everywhere. In this, the achievements of the best must be generalized and concrete help given to achieve the right pace in areas where this is still not the case.

The high pace in production and the application of key technologies is of special importance for dynamic economic growth. Thus the production of office and personal computers rose compared with the previous year by 142 percent, of solid-state integrated circuits by 27 percent, of optoelectronic semiconductors by 19 percent, of combined control devices by 19 percent, and of electronic typewriters by 37 percent. Production of robots rose by 10 percent.

With the broad application of key technologies the quality level of production rose at the same time, an issue to which we attach a special economic weight. Industrial production worth over M69 billion carries the highest quality seal. In the machine-tool sector, so very important for the automation and modernization of production, nearly 50 percent of output is produced with the "Q" quality seal, which corresponds to the highest international standards. These achievements, to which we could add achievements in other industrial areas, are at the same time linked to a lowering of costs in industry, of unit energy, raw materials and equipment costs.

Parallel with this, and this must also in future be guaranteed without fail, performances in the social area are rising., Let me just point out one important issue, such as housing construction. By the end of October, over 176,000 homes were newly built or modernized, over 26,000 of which are in Berlin. Retail trade turnover, compared with the previous year, rose by 4.2 percent, including industrial goods by 6 percent. Of great importance for social security were and are the stable consumer prices for everyday goods, as well as for rents, public utilities, fares and services. Our citizens greatly appreciate the fact that today they are paying the same prices as in the fifties for meat, butter, bread, milk and the greater part of basic foodstuffs, as also for heating, electricity, public transport fares, mail, and many industrial goods.

In accordance with the resolutions of the 11th party congress we proceed from the premise that today it is no longer sufficient to pay attention to just this or that aspect of economic activity. The tasks we face demand that we utilize all qualitative factors in the spirit of comprehensive intensification. The fundamental issue is the acceleration of the rise in labor productivity, and at the same time to raise quality and lower costs. Labor productivity must rise faster than net production in order to gain a workforce for other tasks in the national economy. The objective is to introduce new products, to make new technologies effective, and to achieve greater economic profits. With the available workforce, without additional input of energy and material, the objective is to raise output commensurate with the requirements of the population, of industry and of export.

These demands apply to all the economic targets of the 1986-90 5-Year Plan as well as the 1987 National Economic and State Budget Plan. They derive directly from our course of the unity of the economic and social policy. We pay special attention to those industrial areas which determine the pace. To combine the advantages of socialism still more effectively with the achievements of the scientific-technological revolution, which itself has entered a new stage, is our first economic strategy. We are guided by the idea that the dynamism of economic growth will be determined increasingly by the mastery of key technologies.

As we are all aware, microelectronics, modern computer technology, computer-aided design and control of production increasingly determine the output capability of a modern national economy. In close interacton with this, key technologies such as flexible automatic production systems, new refining processes and materials, biotechnology, nuclear energy, and laser technology are gaining ground in our national economy.

These are enormous challenges, and at the same time opportunities are emerging to quickly renew production, to raise its quality, and to lower input to an extent quite impossible hitherto. Here we are successfully concentrating our forces and taking into account that at an international level production forces are developing more and more quickly. We have got to win the race against time and to achieve a lead in important areas in order to achieve high economic and social results.

In important spheres, GDR combines are either fighting for top achievements or are already laying down the yardsticks for them. This is especially exempflied by the initiatives of the Zeiss workers for the development of highest-integrated circuits up to 1 and 4 megabit levels during the current 5-year plan, and the Soemmerda office machine manufacturers, who are producing an additional 10,000 personal computers for the economy in 1986.

The publicy-owned combines are the main force for tackling the scientific-technological revolution. They are increasingly combining science and production at a new level. Together with the facilities of the GDR Academy of Sciences and the higher education sector they are organizing the struggle for top international positions. That top achievements can be attained in that way on a broad base is shown by the 25 top achievements produced by the Academy of Sciences after the 11th party congress, and also by the outstanding results in science and production published by our mass media over the past few days.

It is now a matter of utilizing capacity with great efficiency. In the foreground is the aim of renewing products and technologies, with increasing economic productiveness, and thereby improving, according to plan, the range of final products for supplies to the population, for modernizing the production apparatus and for meeting foreign market needs.

Producing more quality products while increasing labor productivity, producing new products more quickly, realizing top performances quickly and, in the process, achieving good economic results, all means winning time for the all-round strengthening of the GDR, means winning time for socialism. The greatest economy of time is a demand made of all combines and enterprises in the entire economy. To meet it fully, far-reaching measures for an even closer linking of science and production has been decided. This includes the introduction of the renewal passport [erneuerungspass].

It is evident that it is particularly the young people, who, at the side of their older, experienced colleagues, set themselves the challenges of the dynamic development of productive forces. This applies to the whole field of the implementation of the economic strategy of our Party, which, one could say, has also become a militant program for our youth. We are gratified at the active work carried out here by our socialist youth organization, the FDJ.

The young people, the most active members of the youth organization, the young communists, do justice to their task in the GDR of being the shock troops and pioneers of what is new. Thus many youth research collectives perform first-class achievements in record time. We welcome this uncompromisng attitude. Yes, we must certainly focus our goals, without any deviation, on top international standards and, beyond that, push forward into new territory. The best results are achieved where the responsible managers set demanding tasks right from the start, which form the basis of the task workbook and thus become the militant program of the youth research collective concerned.

Not only are top-class performances with high economic results achieved for the republic through these measures, but at the same time, young research and worker personalities evolve who prove themselves in the struggle. As a result, the morai qualities which our republic, which socialism needs to meet its historic mission also unfold to an increasing extent.

We therefore welcome all proposals aimed at confronting students with challenging tasks and bringing young scientists at an early stage to the threshold marking the start of a venture into the as yet unknown, where they stand in the front ranks in the struggle for first-rate scientific-technical standards. Those who learn by these means to develop the courage to take risks and to bear high responsibility will, throughout their lives, be among those who actively advance our social development.

In the 1986-90 5-Year Plan the stable and dynamic economic growth will continue on a higher level. The planned growth of the produced national income speaks in favor of this. A national income of over M1.3 trillion is anticipated in these 5 years. This amounts to about M285 billion more than was produced in the period 1981-85. Over 90 percent of the growth is to be generated by increasing labor productivity. The content of our economic strategy is to speed up the increase of labor productivity. Mastery of the key technologies must manifest itself here above all.

As already stated, the unit input of raw and other materials, as well as energy, must be reduced. The proportion of production input in the product as a whole must be further reduced, which will accelerate the growth of the national income.

Primarily it is modern production processes that will bring future progress in saving materials and energy. On the other hand, it is necessary to organize as economically as possible the use of energy, raw material and materials in the economic cycle. Waste products must be recycled.

Our energy requirements are increasing. The most important way of fully satisfying them is the rational use of energy. For that reason it is necessary this winter, too, to be disciplined about maintaining and undercutting energy quotas, particularly for electricity. It is necessary for us to orient ourselves in all areas of production and social life and in all regions to this significant question as regards our economic growth. The rational use of energy and the halt to any waste are a precondition for providing stable supplies of energy to the population and the economy in lengthy cold periods.

The 5-year plan sets the task of achieving significant savings in economically important raw materials, materials and energy sources. This involves rates which, as a result of the high level already achieved, are of international standards. I would like to recall only the target of reducing the unit consumption of rolled steel in the metal processing industry by an average of 7.5 percent annually, and in the construction sector by an average of 6.7 percent per year.

The application of the key technologies also makes it possible to achieve a higher level of refining of all available raw materials, materials and energy sources. For instance, the proportion of chemical products with a higher level of refining is due to increase from 35 percent of the total production of the chemical industry in 1985, to 40 percent in 1990. This involves an increase in the yield of light [helle] products in crude oil processing to 75 percent.

The proportion of highly refined products in the production program of the metallurgical industry is to increase to 90 percent, while the re-use of secondary raw materials and industrial waste products is to increase from 30 million metric tons in 1985 to 35 million metric tons in 1990.

During their visit to the Leipzig Autumn Fair, the members of the Politburo were able to note that the key technologies are as a result of significant economic results determining the work of our combines. From the visit to the Carl Zeiss Jena combine there emerged recognition of three points which are of general significance in this.

1. Introducing key technologies means coming to grips with the highest international standards and making this genuinely expressed in the quality and in the costs of production.

2. Both new products and highly productive automated technologies for their production are involved. Both must be united.

3. It is clear that the interaction of the key technologies must be mastered. Where microelectronics are applied, new materials are also involved. Where new materials are involved, biotechnology must be taken into account. Where one speaks of biotechnology, this again requires highly precise electronic equipment technology based on microelectronics. It is only in this complexity that the task of making the key technologies in their full scope, the basis for the development of our national economy, can be achieved.

How seriously we take this subject is shown by the high rates of increase which are at the basis of the 5-year plan in these progressive areas. For instance, in microelectronics the production of unipolar circuits is due to rise by 47 percent, and that of bipolar circuits by 20.6 percent on average annually. The development and production of special technological equipment for microelectronics is to increase annually by 12 percent. It is necessary to bring into operation and use effectively 90,000 CAD/CAM work stations and 80,000 industrial robots. Biotechnology production is to triple.

Therefore, regarding the qualitative growth factors we are clearly aiming at the acceleration of pace. We seek to speedily achieve a quality production which meets high international standards. The annual production renewal rate is to be 30 percent, and for consumer goods 30-40 percent.

All our plan projects attach great importance to socialist rationalization. It is the main path in order to raise labor productivity, on the basis of key technologies, to an extent hitherto unknown. This was vividly shown in the debate by the example of the Manfeld "Whilhelm Pieck" combine, where a production increase of M140 million was achieved, allowing 150 workers to be released for other tasks, In this connection the great weight which is attached to the great extent of plant utilization was rightly emphasized.

The quality in-hours construction of rationalization equipment by the combines must develop speedily. It is increasingly being developed into an important material-technological basis for the broad application of key technologies, and the most important support for the modernization and automation of production. Therefore, the in-house construction of rationalization equipment of the combines is to be increased annually by over 13 percent.

One decisive characteristic of the change of the material-technological basis of the national economy during the 5-year plan is the broad development and application of automation technology. The plan is to set up by 1990 in the metal-processing industry at least 60, and in other branches of the national economy at least 35, complex automation projects. These automation projects are intended to become the pacemakers of productivity and efficiency. It was reported on our television a few days ago how the Meuselwitz heavy engineering firm is being purposefully developed into an automated enterprise and how the workers and engineers are creatively shaping this process.

Our economic strategy, with a view to the year 2000, aims at greater work efficiency. Many things are closely related. It is especially important to cut production times in significant dimensions and to lower production inputs. To this must be added the greatest possible utilization of fixed assets.

The objective in the processing industry is to achieve, for important production equipment a capacity utilization of 17.5 hours per calendar day by 1990. For the heavy investment branches of the basic industry fixed assets must achieve a capacity utilization of 18-20 hours per calendar day. At the same time the capacity utilization of all fixed assets, especially of machines and machine tools, must be raised to a higher level across a broad range. Compared with the present level, capacity utilization is to be raised by 20 percent.

All this must lead to considerable annual reduction rates of prime costs. For industry, a planned 2.2 percent, for the construction sector 2.1 percent, and for unit transportation costs of the national economy, a lowering of 3.2 percent.

In order to successfully realize the 5-year plan, investments must be managed very effectively. We are emphasizing this as the Politburo recently had to deal with a number of capital projects which were in danger of not being completed on time or within the planned parameters.

In our planning we expect that from each investment the scheduled products will be made available on time and in the right quality and quantity. The accounts of the National Economic Plan demand high efficiency of each project in order to help guarantee the growth of national income and, if possible, to exceed it. Here, strict state discipline is called for. Let us underline the objective of lowering unit construction input by 10 percent and of cutting construction times by 15 percent.

The dynamic economic growth sought with our economic strategy is being increasingly influenced by the interaction of the economy and other social areas. First, the reciprocity of science and production must be mentioned. Socialist education and its further development are exerting a great influence on the economy.

In line with the rise in output, the people's living standards are improved as planned. From 1986-90, 1,064,000 homes will be newly built or modernized. Thus the housing question as a social problem is being solved as intended. With view to the 750th anniversary of Berlin, magnificent building projects which are linked to the further worthy development of the GDR capital as the political, economic and intellectual-cultural center will be tackled. This applies to the overall housing construction sector, as well as projects in industry, science and culture, the development of urban technology, and transportation.

The real per capita income of the population will rise by over 21 percent by 1990. Net monetary incomes and commodity turnover will rise on average by 4 percent annually.

We attach great importance to the development of consumer goods production. This is a concern of the whole national economy. The objective is to produce consumer goods which correspond to the population's demand of high quality goods in sufficient number. In the realization of the resolutions of the 11th party congress, noticeable progress was achieved in providing the population with services, repair and after-sale services. This path must be continued consistently. Our plans are based on an annual growth rate of 5 percent for repair and other services for the population.

At the 11th party congress we were able to note that the GDR has at its disposal a well-functioning, efficient, dynamic and flexible system of the socialist planned economy. With it we carried out the change toward the intensification of the national economy. It is the basis for successful development today and in the future. Its shaping in the GDR is determined by the course of the main task in its unity of economic and social policy.

Management, planning, and economic accountancy are a firm component part of our economic strategy. We are perfecting it steadily and logically. In this we take account of the dynamism, the challenges of our time. The further development of the socialist planned economy is essentially always aimed at combining the advantages of socialism effectively with the achievements of the scientific-technological revolution.

Our party continues the proven practice to react in good time to emerging problems and to promote in the long term the dynamic development of the productive forces by organizing the socialist production conditions. Proceeding from public ownership and cooperative-socialist property, the principle of democratic centralism is being realized uncompromisingly. We will strengthen central management and planning as the essential advantages of socialism.

Just as essential for us is the broad democratic cooperation of the workers and of all our country's citizens in the management of the state as of the economy. The active cooperation of workers in the socialist mass competition movement, their democratic participation in the comprehensive plan discussion, the broad application of socialist enterprise management, and the precise comparative performance appraisal testifies to this.

Our principle is to link central management and planning even more efficiently with the individual responsibility and creative initiative of the economic units and territories. Good preconditions exist for this.

A number of basic factors have long proved themselves in the efficient functioning of our economy. This is, firstly, a modern, effective system of economic management, with combines as the backbone of the socialist planned economy. Linked to this is central state planning and the matching of supply and demand, which is continually being improved and which we are at present putting on a computer-aided footing throughout. The economic self-responsibility of the combines and enterprises plays an important role in high efficiency, whereby economic accounting, particularly the principle of self-generation of resources, is consistently applied.

One can say today that the establishment and further shaping of the combines was of decisive importance for the successful switch to intensification. These large economic units are in a position to master complex economic projects from their own resources. [paragraph continues]

They have at their disposal all the necessary intellectual, material and financial capacity. The cycle of intensively expanded reproduction is largely closed in the combines. On the basis of the plan, all the important phases of the reproduction process are uniformly managed.

The introduction of the renewal passport from 1987 will provide director-generals with a further important instrument of management for this. The close linking of science and production in the combines is extended through economic contracts for research cooperation with the Academy of Science and the universities and colleges. One can already state that the decisions made on this have met with a broad response and have opened wide the gates to a fundmental acceleration of the intensification process. Thus about 50 percent of the capacity of the Academy is now linked to combines through performance contracts. The combines thus also possess the broadest base for an economically-effective application of the key technologies, the decisive area for the mastery of comprehensive intensification.

It has now shown to be very important that the work of the combines, with the four main indicators of performance assessment, is channelled into contributing, through intensively-expanded reproduction, to a high growth of the national income and of achieving the greatest possible distribution of economic end product. It is all the more important, therefore, to fulfill plan targets with a high degree of discipline in terms of quantity, range, quality and with the stipulated input. The realization of performance growth with largely constant material resources is one of the premises of our plan. Those who undermine it will inevitably harm the economic reproduction process.

In the last few days the Politburo had to deal with the inadequate supply of cement to the economy. On examination it emerged that in the middle of the year decisions had been made to temporarily reduce cement production by 300,000 metric tons. Measures for the full utilization of producton capacity were not laid down soon enough, measures which would have made possible improved supplies for industry, agriculture and the population. Added to this was the nonfulfillment of the reduction, stipulated by the plan, of the unit input of cement in a series of centrally and locally managed construction combines. As a result, there was an additional consumption of 37,000 metric tons up to the end of September. It also emerged that the measures introduced in 1986 by the Construction Industry Ministry to raise production by a further 50,000 metric tons, and for strict adherence to the cement supply stipulated for the months of October and November, were not sufficient to safeguard stable cement supplies.

This once again proves that stable material and technical supply makes two demands: The necessary increase in performance, and adherence to the planned financial resources and to the planned reduction of material consumption. Overall, inspection showed that those comrades responsible did not take the measures which were possible and necessary in view of the situation which had arisen, neither at the right time, nor to a sufficient extent, nor with the necessary consistency.

From the failures in this field, the conclusion is generally to be drawn that the process of economic reporduction, with all its complicated interrelations, must be analyzed accurately from day to day and with regard to the future, and that it must be managed in such away that the all-round fulfillment of the plan targets is guaranteed.

A valuable help in this will be the introduction of universal computer-aided assessment in all fields of production; this is to be completed by the end of 1987. This is one of the most important measures the Politburo has decided on for the further training of management, planning and economic accounting personnel.

Here, completely new possibilities are opening up of controlling the proportional development of the national economy and its growing interrelations in an even better way by means of the use of modern computer technology, particularly in the unity of utility value and value. This also means that the economic self-responsibility of the combines and enterprises for fulfillment of the plan tasks will be increased. This aim is also served by the further expansion of the principle of self-financing of investments. Economic accounting will thus in the future be even more closely connected with the cycle of intensively expanded reproduction.

In the application of the principle of self-financing of investments, we see a basic way to better coordination of the relationship between output for society and supply of financial resources by society.

The proven course of arranging economic accounting with its categories -- costs, price, profit, credit and interest -- in such a way that what is advantageous for the combines and enterprises also benefits the national economy, will thus be continued at a qualitatively higher level. While perfecting central state management and planning, and at the same time increasing the self-responsibility of the economic units, we are directing the work of all parts of the socialist planned economy in unity toward the interests and requirements of society as a whole, and toward the most effective execution of all tasks.

The firm foundation of the realization of our plans is the deepening of socialist economic integration with the USSR and the other member countries of the CEMA. In the Politburo we have undertaken a thorough assessment of the economic and scientific-technological cooperation between the GDR and the USSR based on the decisions of the 11th Party Congress, and we have discussed new proposals for the period up to 1990 and beyond. The analysis proved once again that the extent of our cooperation and the depth of the interrelation of a large number of branches of the national economy of the GDR with those of the USSR are unique in the world. The GDR and the USSR are together tackling great plans for the future, as principally contained in the "Long-term Program of Development of Cooperation Between the GDR and the USSR in the Field of Science, Technology, and Production for the Period up to the Year 2000."

For the period 1986-90, a volume of mutual trade of over M380 billion has been agreed. This corresponds to an increase of 28 percent compared to the previous 5-year plan period. The USSR is supplying important raw materials to the GDR to the same extent as in the previous 5-year period. Stable raw material supplies from the USSR have always been of vital importance for the national economy of the GDR. To secure raw material purchases from the USSR, the GDR is participating in investment projects such as the construction of the Yamburg gas pipeline. At present, 13,000 construction and assembly personnel from the GDR are working in the USSR.

The dynamism of our mutual relations rests to an increasing extent on research and production cooperation, which encompasses nearly all branches. The basis of the agreements on trade is an increase and qualitative further development of GDR deliveries of machinery and equipment to a high scientific-technical standard. In the sphere of microelectronics, for example, the close cooperation is marked by an extremely high dynamism of mutual deliveries. GDR exports will amount to a volume of M4 billion in the period 1986-90. The USSR's deliveries will increase to M7 Billion in the same period.

The GDR provides comprehensive supplies and services for the solution of socioeconomic tasks of the USSR. In parituclar we are increasing our contribution to the Soviet food and consumer goods program. In 1986-90 the GDR will export machinery and equipment for the USSR's agrarian-industrial complex to the tune of over M40 billion. The deliveries of consumer goods will increase from M23 billion in the period 1981-85 to M33 billion in the period 1986-90.

It must be particularly emphasized that the programs and concrete agreements agreed between our countriese are to an increasing extent characterized by the requirements of the highest scientific-technical standards and the intensification of production. Thirty-three Branch Programs on Cooperation between the ministries and 167 government and ministerial programs from a stable and long-term basis of cooperation. Over 100 governmental and ministerial agreements contain the development and application of leading technologies and the most up-to-date products.

We are thereby at the same time making an important contribution to fulfilling the CEMA complex program of scientific-technical progress. The tasks derived from this for the GDR are a firm element of our plans.

Our party regards the steady deepening of this cooperation as a decisive guarantee of the stable development of the GDR economy and will continue to promote and advance it in future with all its resources. My meetings with Comrade Gorbachev on the occasion of the 11th SED Congress and in Moscow showed that full agreement exists in the basic questions of further cooperation in the scientific-technical and economic sphere. The agreements from an excellent basis for a qualitatively new phase in our relations.

We want to further deepen our cooperation in line with joint suggestions in the following important complexes:

-- Deepening of basic technologies for very large-scale integrated circuits, special technological equipment and materials for microelectronics,
-- Development and application of electronic computer technology and of CAD/CAM solutions,
-- Application of highly-effective technologies in metal-working, including laser technology,
-- Production of new materials, especially in the sphere of technical ceramics, processing metallurgy and polymer chemistry,
-- Broad application of biotechnology processes in agriculture and the microbiology industry,

-- Creation of modern digital communications technology and optical fiber systems.

Of extremely great importance is the solution of the jointly-set task of creating preconditions in the sphere of microelectronics for the development and production of special technological equipment and technologies for the 1- and 4-megabyte memory circuit.

Our joint proposals also envisage new steps toward cooperation in the sphere of training and further qualification of scientists and specialists. This is an important contribution to mastering key technologies. Management cadres in the economy and science are to gain further qualifications at special further training institutions in our countries and through direct deployment in combines and associations.

The agreements comprise practically all important areas of science and technology and are aimed at a qualitative deepening of the cooperation in the various branches of the national economy.

We attach great importance to the agreements recently signed between the Soviet Union and the GDR. With them, direct relations between combines, enterprises and organizations of the GDR and associations, enterprises and organizations of the USSR, and the setting up of joint teams of specialists of the GDR and USSR were agreed. These agreements open up new opportunities to achieve, through the scheduled pooling of intellectual and material forces of our countries, a high growth in national incomes, and the highest possible economic effects for the national economies of our countries. They aim at the active cooperation of combines, associations and enterprises in order to quickly achieve top scientific-technological performances, and to renew production ranges and rationalize production.

In the development of direct relations between combines, enterprises and organisations of the GDR and associations, enterprises and organizations of the USSR we can proceed from a broad base. Practically all of our combines have been maintaining long-term relations with partner associations in the USSR. Now the signed agreements will provide the basis to shape the direct relations still more effectively for mutual benefit.

The relations with the other CEMA countries will similarly be developed with an eye to the future. For the deepening of the economic and scientific-technological cooperation, the GDR has agreed to programs of cooperation in the spheres of science, technology and production to the year 2000 with the People's Republic of Bulgaria, the Socialist Republic of Romania, the CSSR, the People's Republic of Hungary, and the People's Republic of Poland. They were signed by the general secretaries or the first secretaries of our parties.

With the Republic of Cuba there exists agreement on a program of long-term economic and scientific-technological cooperation. During my visit to the Mongolian People's Republic a long-term program was concluded. A program to the year 2000 is in preparation with the Socialist Republic of Vietnam.

Thus the guidelines for the further development of economic relations have been laid down over a long period with all CEMA member countries. In the forefront is cooperation in the development of key branches of our national economies. Through the joint economic committees, planning organs, ministries and enterprises of our countries, steady work is done for the realization of the stipulations contained in the long-term programs.

With the results of the coordination of national economic plans and the long-term trade agreements for the period 1986-90 concrete agreements are available for the first stage of our future cooperation. Dynamic growth of trade is planned, based on the continuation of the proven line of the division of labor. At the same time it will be increasingly determined by new projects for the implementation of intensification.

Also in the coming years the GDR will continue its support for the Republic of Cuba, the Mongolian People's Republic and the Socialist Republic of Vietnam. For the period to 1990, firm agreements were made for and firm promises given on the substantial deepening of cooperation. Our supplies to those countries serve to strengthen their economic potential, especially through our cooperation in the creation and modernization of capacities in industry and agriculture.

During the friendship visit to the PRC we concluded an agreement on economic cooperation between our countries in the next 15 years, which serves the expansion of economic and scientific-technological cooperation.

The 1986-90 5-Year Plan which was discussed here in detail over 2 days, and which will be passed on to the People's Chamber contains great targets for the further development of our socialist GDR. We are concentrating our powers on successfully maintaining our position among the leading industrial states of the world and to use in this spirit the most modern achievements of science and technology for the prosperity of the people. We are convinced that the workers will consider this plan as their work program, and realise it with drive, creativity and energy.

BRIEFS

ANC DELEGATION VISIT -- On 14 November Kurt Hager, member of the Politburo and secretary of the SED Central Committee, received a delegation of the African National Congress [ANC] of South Africa led by Henry Makhgothi, membe. of the National Executive Committee and secretary for education. Problems of education, particularly public education, were discussed during the talks. The ANC delegation acquainted itself with the results of the SED's school policy in Magdeburg and visited the "School of Friendship" in Stassfurt. Participating in the exchange of views were Lother Oppermann, head of the public education department of the SED Central Committee, and Nelson Miya of the ANC mission in the GDR. [Summary] [East Berlin NEUES DEUTSCHLAND in German 15-16 Nov 86 p 2 AU]

BCP DELEGATION VISIT -- Werner Eberlein, member of the Politburo of the SED Central Committee and first secretary of the Magdeburg SED bezirk leadership, met with a study delegation of the BCP under the leadership of Vasil Momov, first deputy head of the section for ideological policy of the BCP Central Committee, which paid a visit to the bezirk. The delegation, which familiarized itself with the SED's experience in political and ideological work during its study visit, conducted talks at the SED Central Committee with SED Central Committee members and department heads Heinz Geggel and Klaus Gaebler. [Summary] [East Berlin NEUES DEUTSCHLAND in German 15-16 Nov 86 p 2 AU]

IMPLICATIONS OF U.S. EXCEEDING SALT II EXAMINED

LD282354 Budapest Domestic Service in Hungarian 2120 GMT 28 Nov 86

["10 Minutes of Foreign Politics" program; conversation between Istvan Kulcsar and Jozsef P. Szabo, Budapest radio journalists]

[Excerpts] [Szabo] We have known for days that the United States was about to breach the SALT II agreement with the deployment of the 131st B-52 strategic bomber capable of launching cruise missiles. [passage omitted]

What motivates the Reagan administration in its decision to breach the SALT II agreement?

[Kulcsar] Quite simply the fact that the United States wants to continue the arms race and it is not inhibited by the restrictions, or, rather, it wants to rid itself of them.

[Szabo] American radio and television and, naturally, also the Reagan administration, have said on various occasions recently that it is not the United States but the Soviet Union which is breaching the SALT II agreement, that is, that the Soviet Union breached it first.

[Kulcsar] Yes, although the American side has not said that the Soviet Union deployed more missiles or submarines than is permitted by the SALT II agreement, there have been references to the Soviet Union having developed new missile systems. The agreement makes possible the development of a certain number of new missile systems, if I remember right, one each year. The Soviet side gave a very clear answer to this at various consultations, they demonstrated, attempted to prove, that they were observing the stipulations of the agreement. I am convinced that all this was just an excuse for the American side to exceed the agreement quantitatively and substantively.

[Szabo] The first Soviet reactions have been rather restrained. However, they did say that the Soviet Union could naturally take the appropriate steps in response, even though it would not be hasty in implementing them. What countermeasures are possible?

[Kulcsar] The Soviet Union can also go beyond the limits laid down in SALT II, that is, it can deploy new missiles, can develop new missiles, can deploy more submarines and so on. In other words, it does not regard itself bound any longer by the quantitative and qualitative restrictions which it accepted within the framework of SALT II. This is perfectly logical.

[Szabo] How far will this American step influence the current talks on arms limitation? I have the Geneva talks in mind.

[Kulcsar] Naturally, it will influence them. There is no absolutely direct link but this step shows the developmental trend pursued by the United States. It would be rather difficult to envisage that in one area they are increasing their level of armaments, while they want to reduce it in other areas. Unfortunately there is nothing to indicate the latter.

[Szabo] Do we know what stance the NATO partners of the United States are adopting?

[Kulcsar] I think that they are not very enthusiastic about this American step. There are issues where the Western European NATO allies, on the basis of their own narrow interests, or what they perceive them to be, are perhaps even more extreme than the United States. This applies, for example, to the so-called zero option, the elimination of medium-range missiles. On the SALT II issue, however, they are not, so to speak, directly concerned, or rather, it is in their interest that the arms race shoud not continue, or at least not at the rate which might come about now, in the wake of SALT II having been thrown out.

[Szabo] A great deal has been said lately about the United States having retreated from the Reykjavik working summit, while the Soviet Union is insisting on its own Reykjavik package. Now how does the breaching of SALT II relate to this package?

[Kulcsar] It is not connected absolutely directly; after all, SALT II is an earlier agreement and the package contains new Soviet ideas or at least ideas which are put together in a package in a new way. In other words, there is do direct connection but, as I have said, if in one sphere the United States will pursue strategic armament when it would be strange and contradictory if it did the opposite in another area. It could do so but it is hardly likely.

[Szabo] This gives rise to the question of whether it is likely that this American step will lead to a stepped-up arms race.

[Kulcsar] It is difficult to know to what extent the Americans will go beyond the limits laid down in SALT II and what the Soviet reaction will be. One thing is certain: This step will not lead to a deceleration in the arms race.

LAZAR, HAVASI MEET WITH USSR'S SILAYEV

LD290642 Budapest MTI in English 2104 GMT 28 Nov 86

[Text] Budapest, November 28 (MTI) -- Gyorgiy Lazar, chairman of the Council of Ministers, met Ivan Silayev, visiting vice-chairman of the Soviet Council of Ministers, in the Parliament building on Friday. Present at the cordial, friendly meeting was Laszlo Marothy, deputy-chairman of the Council of Ministers.

In the course of the day Ferenc Havasi, member of the HSWP Political Committee and secretary of the Central Committee, also met Ivan Silayev. Boris Stukalin, Soviet ambassador to Hungary, attended both meetings.

Ivan Silayev had talks with Laszlo Kapolyi, minister of industry, and visited the Central Research Institute for Physics.

The Soviet deputy premier and his party left Budapest on Friday. The delegation was seen off at Ferihegy Airport by Laszlo Marothy. Present was Boris Stukalin.

PRESIDENTIAL COUNCIL GREETS ALBANIA ON NATIONAL DAY

LD290654 Budapest MTI in English 2117 GMT 28 Nov 86

[Text] Budapest November 28 (MTI) -- The Presidential Council of the Hungarian People's Republic sent the following telegram to the Presidium of the People's Assembly of People's Socialist Republic of Albania:

"We are sending our best wishes and regards to you on the occassion of the national day of the People's Socialist Republic of Albania. The Hungarian People's Republic will be striving for a development in all areas in the relations between our peoples for the sake of socialism and peace. On behalf of the Hungarian working people we wish the Albanian people building socialism further successes on the 42nd anniversary of its liberation. [no closing quotation marks as received]

LEADERS CONGRATULATE SFRY ON NATIONAL DAY

LD290042 Budapest MTI In English 2034 GMT 28 Nov 86

[Text] Budapest, November 28 (MTI) -- On the occasion of the National Day of Yugoslavia Janos Kadar, general secretary of the HSWP, Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, and Gyorgy Lazar, chairman of the Council of Ministers of the Hungarian People's Republic, congratulated Milanko Renovica, president of the Presidium of the Central Committee of the League of Communists of Yugoslavia, Sinan Hasani, president of the collective Presidency of the Socialist Federal Republic of Yugoslavia, and Branko Mikulic, president of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia.

The telegram stresses among other things:

The Hungarian working people appreciates the significant results of the peoples of Yugoslavia, achieved under the leadership of the League of Communists of Yugoslavia. We sincerely wish you to implement the resolutions of the 13th congress and achieve further results in the construction of a socialist society, increasing your country's material and intellectual power, and protecting peace and strengthening international security and cooperation. We note it with satisfaction that our countries' friendly, good-neighbourly relations and comprehensive cooperation develop fruitfully in all walks of life and serve the interest of peoples constructing socialism.

Istvan Sarlos, president of the National Assembly, congratulated Ivo Vrandecic, president of the Federal Assembly of Yugoslavia. The Central Council of Hungarian Trade Unions, the National Council of the Partriotic People's Front, the KISZ Central Committee, the Federation of Hungarian Anti-Fascists and Resistance Fighters, the National Peace Council and the National Council of Hungarian Women also congratulated their partner organizations in telegrams.

PPF DELEGATION VISITS SUB-CARPATHIA 24-27 OCT

WA261200 Budapest MAGYAR NEMZET in Hungarian 29 Oct 86 p 3

[Text] A large contingent of national, area, and local Popular People's Front [PPF] leaders took part in a research visit to the Sub-Carpathian area of the Soviet Union between 24 and 27 October.

The delegation was informed about the implementation of the decisions of the 27th CPSU Congress. They visited the university where they spoke to professors and students and met with Hungarian students among them. The delegation exchanged views with media leaders, including television and radio editors, as well as with editors of the Hungarian-language Karpathia Book Publishers. The first secretary of the Sub-Carpathian Party Committee, G.J. Bandrovski received Robert Ribanski and Jozsef Garamvolgyi, secretaries of the national office of the PPF. He also received Gyula Rapai, vice-president of the Hungarian Soviet Friendship Society.

The PPF delegtion visited Munkacs, Vinograd (Nagyszollo) District and Petrovo (Peterfalva) Border Guard kolkhoz. Andor Biro, the president and representative of the Supreme Soviet of the Ukrainian Soviet Socialist Republic and Hero of Soviet Labor, showed them the large agricultural enterprise which guarantees a high and substantial standard of living for the population of five villages.

COUNCIL OF MINISTERS DISCUSSES SOCIAL ISSUES

LD280007 Budapest MTI in English 1904 GMT 27 Nov 86

[Text] Budapest, November 27 (MTI) -- The Hungarian Council of Ministers met in session on Thursday. It heard a report on the protection of marriages and families and other issues related to the improvement of the conditions of bringing up children and decided that in the near future the Council of Ministers should be provided with a plan for actions. The government has set up a rehabilitation fund to assist the reemployment of workers with a changed working capacity. Then the government also discussed other issues.

Following the session of Council of Ministers, Government Spokesman Rezso Banyasz gave a press conference on the issues of the agenda of the session. Among other things he spoke about the investment project in Tengiz, the Soviet Union. He recalled that last year an intergovernmental agreement was signed, under which the Soviet party would be willing to deliver 2,000 million cubic metres of gas annually on top of the amount drafted in other contracts, from 1992 to the year 2008. In return of the deliveries, Hungarians will construct a crude oil and natural gas processing plant and a desulphurization plant on the shore of the Caspian Sea. Construction work has started this year and is expected to finish in 1991. At present 1,500 Hungarians are working on the site and after completion of an industrial basis 5,000 Hungarians will work there. Main contractor Vegyepszer subcontracted 26 Hungarian companies and is properly staffed on site.

On labour surplus and shortage the government spokesman stated that local councils want workers in 75,000 jobs. For years they have been unable to stop labour shortage in certain jobs and trades using local resources, therefore they are compelled to employ foreign workers on certain jobs in mining, metallurgy, the textile and the construction industries. At present 13,000 foreign guest workers are employed in Hungary, and no increase in number is planned.

Answering a question on the ageing of car stock in Hungary, Rezso Banyasz stated that the average car age in Hungary is 8.5 years, which is relatively high. At present an annual 100,000 cars come from the socialist countries and plans include a 20 to 25 per cent increase until 1990. The average car age should be reduced to 6 years by the turn of the century at the latest. By the year 2000 car stock should be increased by 2.1-2.5 million, with some 2 million cars scrapped. To achieve this target some 170,000 to 180,000 cars should be bought annually between 1990 and 1995, and then 230,000 to 250,000 a year. A certain proportion of those cars might be assembled in Hungary and the government is seeking to find other customers as well besides its socialist suppliers.

BERECZ SPEAKS AT INTERIOR MINISTRY PARTY MEETING

LD252207 Budapest Television Service in Hungarian 1830 GMT 25 Nov 86

[Text] The Ministry of Interior party committee has remembered at its ceremonial session a historical event from 30 years ago, the defense of socialism. In his introduction, the committee first secretary reminded his audience that it was precisely today that the Presidential Council awarded the successor of the Revolutionary Special Police Regiment, the Revolutionary Police Regiment, with the "Order of Merit of the Red Star."

Central Committee Secretary Janos Berecz, greeted at the festive session those participants of the struggles 30 years ago who were present at the meeting, stating that socialism means the entire people; it ensures the life of these people and the prevalence of their democratic rights. This is the aim as well as the content of socialism. But, moments can come about when it is the power itself, the defense of order, and the system which becomes first priority.

Recalling the past, he remarked that the gradual erosion and sliding in the wrong direction greatly endangered power and that cricitizing with arms is the sharpest criticism of all. In 1956 we witnessed this kind of criticism; we were participants of it. [as heard] At the same time, he noted that historical revision is out of the question. The party has defined the historical conclusions of the 1956 events and this does not need revision. The task of a well-trained force of arms today is to be a sure foundation and pillar of our balance and socialist national unity.

TRADE UNION COUNCIL EXAMINES BUDGET, PLAN

LD260154 Budapest Domestic Service in Hungarian 1730 GMT 25 Nov 86

[Text] The National Council of Trade Unions [SZOT] discussed the resolution adopted at last week's session of the MSZMP Central Committee and next year's plan. Tibor Baranyai, general secretary, stressed that the work of economic management must be improved, the effectiveness of production increased, and there must be an effort to create a better harmony between performance and wages, including the incomes that flow out in various entrepreneurial forms. Respect for the main working hours must be asserted; the conditions of innovative work done by individual initiative must be improved; manifestations in incomes and life styles that offend society's sense of justice must be repressed. The trade unions will strengthen their work of protecting and representing interests and will continue to contribute to the formation of adequate decisions and their realization, said the SZOT general secretary.

Afterward, on the basis of the proposal of Secretary Sandor Nagy, they debated the trade union stance connected with the main outlines of next year's plan. In its entirety the system of means serving the realization of the plan is changing satisfactorily. The trade unions support the government's effort that performance and incomes should be more in harmony. They consider the safeguarding of the standard of living and the improvement of living and working conditions to a modest extent to the important. They are of the view that it will be necessary next year to centrally reduce a few wage disproportions that have been awaiting a solution for some time. Special attention will have to be devoted to following the situation of those on welfare benefits and social security welfare; measures are necessary in the sphere of the elderly and those on low pensions for safeguarding the real value of benefits.

In its stance the SZOT has adopted the objectives and more severe conditions of next year's plan, including the fact that we have no resources for raising the standard of living. The SZOT is strong in its awareness that the central political and administrative units continually place on their agenda the tasks connected with the development of the economy, that they take the necessary measures without delay, and that they elaborate a program of action that promotes the emergence from our economic difficulties.

PPF CONSTITUTIONAL COUNCIL DEBATES REFERENDA USE

AU292246 Budapest MAGYAR HIRLAP in Hungarian 20 Nov 86 p 3

[Report by Balazs Stepan: "In the Spirit of Improving Socialist Democracy -- Debate on Local Referenda"]

[Excerpts] Yesterday [19 November] the Constitutional Council of the PPF Presidium held a conference on one of the forums for improving direct democracy. Article 30 of the Constitution provides for referenda, but so far no high-level statute has been created on the following details concerning local referenda: In what circumstances, at whose suggestion, and on what questions should or could a referendum take place?

The local referendum is not at all a new institution of public law, yet in our country, it has become a main topic for society only very recently. This is above all due to the introduction of the regional development contribution and the public debate on preparations for amending the election law. On the basis of a long and silent interest, the PPF congress presented the issue of referenda to the public last year. [passage omitted]

In his speech Dr Gyula Fonyo, deputy chairman of the Council Affairs Office of the Council of Ministers, called attention above all to the fact that the issue of local referenda cannot be analyzed separately from its relations to society. First of all, it is necessary to lay down the relationship of a referendum to other forums of direct local democracy, to village councils, to group meetings, and naturally, to the representative agency, the council. There must be a clear-cut decision on what issues may be submitted for voting and by whom, and whether the one who submits the issue in such a case would transfer his authority to the results of the votes in regard to a particular area or only in regard to some occasional matters. The deputy chairman also emphasized that this voting and the election of councillors did not have the same goals. Thus, a referendum is only worth conducting within the framework of special circumstances.

The question of the legal status of the law concerning referenda appears to be a formal issue, but people referred to it several times during the debate, and one cannot ignore this question at all. According to the draft, the issue should be made public in the form of a legal decree and not as a statute. However, several people were against this, saying that recently a great number of long-term and forward-looking measures were created mainly as legal decrees, although the cases referred to were ones in which statutes were needed. This is all the more so because these measures regulate the basic rights of citizens.

Several people suggested that not only local referenda but national referenda should also be put on the agenda because they are similar institutions in spite of their different political effect. [passage omitted]

It also seems to be expedient to specify certain issues that could only be decided by this forum, instead of merely giving the councils the right to decide on the issues they wish to make subject to a referendum.

We are talking here about local referenda. The question is, however, to what extent the national interests will coincide with the result of the voting. Where is the limit and how far can "the will of the people" go, or could it be limited at all? The draft has also proposed to coordinate the motion for a referendum with the bodies exercising power in the central, regional, or state administration. [passage omitted]

The committee will forward the suggestions and proposals voiced during the session to the concerned bodies, urging the continuation of the debate with the participation of local party and council bodies.

CONTROL COMMISSION EXAMINES TRUCK-SELLING SCHEME

AU251030 Budapest NEPSZABADSAG in Hungarian 22 Nov 86 p 11

[Excerpt] The Central People's Control Commission held a meeting on 21 November. The Commission discussed and approved the control plan for next year and decided to submit it to the government for approval. Then, the body discussed other affairs.

At the request of the Supervision and Control Department of the Transport Ministry, the people's controllers conducted an inquiry into the affair of the trucks discarded by the Volan-1 enterprise and purchased and resold by the Dozsa Agricultural Production Cooperative of Tortel. It was concluded that the enterprise management of the Volan 11-unit and the Dozsa Cooperative had not complied with current regulations. Contrary to their true technical condition, the trucks were presented as being in a considerable state of deterioration and worn out. Accordingly, the prices were set at an unrealistically low level. In several cases, the vehicles were sold very cheaply to persons designated by the Volan Enterprise.

The inspection also revealed a practice follwed at the cooperative according to which the trucks designated to be dismantled are purchased according to peices and weight without any record being made of the quantity and state of the materials and spare parts disassembled. Thus, it is not possible to audit the existing bills. Characteristic of the shortcomings in the record-keeping is the fact that the chairman of the Dozsa Agricultural Cooperative estimated the stored parts as being worth 15 million forints whereas the head of the dismantling unit thought they were worth 5 million forints. As a result of all this, it cannot be concluded whether the trucks, operational until sold at Volan at scrap prices, were indeed taken apart or were sold as complete vehicles.

As a result of the inspection, the People's Control Commission initiated measures to restore the legal situation and prevent any possibility of abuse, and it issued a report on the responsible persons strongly suspected of having committed a crime. [passage omitted]

TRADE UNION CONGRESS CONTINUES DEBATE

LD292303 Warsaw PAP in English 2200 GMT 29 Nov 86

[Text] Warsaw, Nov. 29 -- The Polish Trade Union Congress reviewed the draft statute of the all-Poland Alliance of Trade Unions OPZZ here this morning.

The draft was prepared following several months of discussions in the trade union movement by the Statutory Commission headed by Anatol Wasiljew. The discussion reaffirmed the need to correct some solutions of the statute of the alliance so threat the democratic procedure of decision-making be maintained. Several significant changes have been introduced to the statute during the congress itself. The discussion, polemical and at times heated, lasted four hours.

The introduction of an entry according to which OPZZ is the sole representative of the Polish reborn trade union movement is a significant change of political character adopted by the congress. The key goals and tasks of OPZZ have been complemented with safeguarding the rights and interests of working poeple in the field of health care and work protection. The congress decided that leading posts in OPZZ bodies allotted as a result of elections during the congress could be held for not more than two consecutive terms, that is, eight years. This pertains to the posts of chairman and deputy chairmen of OPZZ and chairman of the Audit Commission.

The greatest controversy in the hitherto discussion on the draft amendments to the statute was aroused by a proposal that, in especially justified cases when a need arises for reasons independent of OPZZ, activities could be undertake with regard to bodies of authority and administration without consultations with OPZZ member organizations. Following a discussion it was decided, nonetheless, to limit this extraordinary procedure to issues of minor importance. It is hard to imagine that there is not enough time for the trade movement to discuss issues most vital for working people, it was said. Following a stormy discussion and a vote it was decided to include in the statute an entry that the posts of chairman and deputy chairman of OPZZ could not be held jointly with the same post in the member organization.

The congress adopted the whole text of the statute with nine votes against and 42 abstentions. The OPZZ Executive Committee was authorized to carry out activities tied with the registration of the document. The statute will take effect on the day of registration by the court, with a binding force as of November 29, this year, that is, the date it was adopted by the congress. The debates continued to exchange views on programmatic tasks of the trade union movement for the next years. Alongside welfare and economic problems, most statements dealt also with suggestions related to the style and quality of action of trade union links.

The congress of Polish Reborn Trade Unions which has been ongoing here with the participation of over 1,400 delegates, is nearing conclusion. The delegates have adopted the OPZZ statute today and re-elected Alfred Miodowicz as OPZZ chairman.

A plenary debate was going on for many hours today producing conclusions that enrich the congress's standpoints and resolutions, but first of all the unions' programme of activities in the upcoming years.

Part of the afternoon debate was devoted to electoral matters. The delegates unanimously adopted electoral regulations binding at the congress and subsequently opened up elections for OPZZ chairmanship. Two candidates ran for the post: Jan Malinowski, representing the Federation of Cooperative Trade Unions, member of the OPZZ Executive Committee, and the hitherto OPZZ Chairman Alfred Miodowicz.

In a secret ballot Malinowski and Miodowicz respectively scored 159 and 879 votes, the number of valid votes being 1,433. The delegates applauded the news about Alfred Miodowicz's re-election to the post. Next followed 32 candiatures for the post of OPZZ vice-chairman (the congress is going to elect eight), and eight candidatures for the post of chairman of OPZZ Audit Commission. Voting lasted until late at night.

OPZZ LEADERS HOLD NEWS CONFERENCE ON CONGRESS

LD302110 Warsaw PAP in English 1832 GMT 30 Nov 86

[By Janusz Dworecki and Miroslaw Luniewski]

[Text] Warsaw, Nov. 30 -- The OPZZ press spokesman told newsmen today that the issue most vigorously debated at the Polish trade union congress were changes in the OPZZ statute. "One concern was evident in the debate: Namely that no single regulation or change should bring about or even imply a return to the organization track of the labour movement from before 1980," Franciszek Ciemny said. Ciemny said the congress, which would up earlier in the day, had brought together a total of 1,424 delegates, 689 specially invited guests, and 56 foreign delegations. Apart from the plenary session, the delegates debated in 12 case groups and seven standing commissions. The congress adopted the trade union programme, statute and the main resolution as well as five other resolutions. It received 321 reports of voluntary work actions undertaken by working crews to mark the event, the spokesman said. The press conference was attended by newly elected trade union leaders: OPZZ Vice-Chairman Romuald Sosnowski, Jerzy Vzieblo, and Stanislaw Bar. Asked about the biggest success of the congress, OPZZ officials cited its highly critical, businesslike and sharp debate which spared neither OPZZ, nor its leadership or the union MP's or state administration, giving evidence of hitherto unheard-of democratization of the Polish labour movement.

Answering a question on why more than 30 percent of all the delegates had crossed out both candidates for OPZZ chairmanship, Sosnowski said the election was by ballot, in which every voter naturally could vote any way his conscience dictated him. Asked what specific moves OPZZ would propose to the government to improve the living standards of the working people, Jerzy Uzieblo listed restructuring of the administration and management in work establishments and search for investment-free forms of streamlining the economy. Elaborating on the same question, Stanislaw Bar said such proposals would also cover development of the housing construction as well as collective contracts and issues related to the old-age pension system. OPZZ is also going to launch a programme aiming to activate young people, he said.

Asked to comment on holding union positions alongside posts in the party or state apparatus, Sosnowski said the issue had not been discussed at the congress, but said the congress banned holding corresponding positions in nationwide union federations and the OPZZ apparatus. Referring to a question about the number of trade union organizations staying outside the OPZZ structure, Sosnowski estimated them at about 4,000, adding that for the most part they operated in the countryside. All the large professional organizations that are ranking for their size and range are grouped in OPZZ, Sosnowski told the journalists. Asked about OPZZ plans in propaganda, Sosnowski said the best propaganda was effective work, but added the movement planned to launch a union daily within two years.

EEC JOINT COMMISSION MEETING HELD IN BUCHAREST

Session Opens

AU282126 Bucharest AGERPRES in English 1938 GMT 28 Nov 86

[Text] Bucharest AGERPRES 28/11/1986 -- The sixth session of the Joint Romania-European Economic Community (EEC) Commission started in Bucharest on November 28.

The two delegations led by Ilie Vaduva, minister of foreign trade and international economic cooperation of Romania, and Willy de Clercq, member of the EEC Commission, responsible for external relations, survey the course of economic links between Romania and the EEC countries, the possibilities and ways of developing collaboration between the two sides in domains of joint interest, of increasing and diversifying mutual goods exchanges and economic cooperation.

Ceausescu Receives De Clercq

AU282110 Bucharest AGERPRES in English 1940 GMT 28 Nov 86

[Text] Bucharest AGERPRES, 28/11/1986 -- On November 28, the president of the Socialist Republic of Romania, Nicholae Ceausescu, received Willy de Clercq, member of the European Economic Community (EEC) Commission, responsible for foreign relations, who attends the sixth session of the Joint Romania-European Economic Community Commission, under way in Bucharest.

The guest addressed keen thanks to President Nicolae Ceausescu for the interview he was granted.

During the interview they approached questions related to cooperation and commercial exchanges between Romania and the EEC. In context, conditions were shown to exist for the deepening and diversification of those ties, as well as between Romania and the countries members of the organization, to mutual benefit, in the interest of the cause of peace and international understanding. Emphasis was placed on the major role assigned to the Joint Romania-EEC Commission in promoting new forms of mutually profitable cooperation between Romania and the EEC in various fields of activity.

President Nicolae Ceausescu pointed out the great significance of strengthening cooperation between all European states, which should make an active contribution to building a united Europe, of collaboration, security and peace. Showing disarmament, nuclear, first and foremost, to be the cardinal issue of our time, the Romanian head of state stressed that, as part of the measures for security- and confidence-building in the continent, Romania attaches great significance to the growth of bi- and multilateral economic ties between the countries of Europe and between all the states of the world.

The interview was attended by Ilie Vaduva, Romanian foreign trade and international economic cooperation minister.

Attending was also Pablo Bernavides, director for the socialist countries of the EEC Foreign Relations Directorate-General.

Session Ends

AU301722 Bucharest AGERPRES in English 1624 GMT 30 Nov 86

[Text] Bucharest AGERPRES, 30/11/1986 -- The sixth session of the Joint Romania-EEC Commission concluded in Bucharest on November 30. An extensive exchange of opinions was made on the current stage of the economic ties between Romania and the countries members of the European Economic Community, on the possibilities to further develop those ties, on the steps that should be taken to that end. The joint wish was expressed to deploy consistent efforts in order to boost and diversify economic cooperation in various areas of joint interest, to increase bilateral commercial exchanges.

At the end of the session, the heads of the two delegations -- Ilie Vaduva, Romanian foreign trade and international economic cooperation minister, and Willy de Clerq, member of the EEC commission, responsible for foreign relations -- exchanged letters on the recommendations agreed during the session.

The head of the EEC delegation was received by Ioan Totu, Romanian foreign minister.

KAPITONOV GIVES NEWS CONFERENCE, ENDS VISIT

AU282116 Bucharest AGERPRES in English 1936 GMT 28 Nov 86

[Text] Bucharest AGERPRES 28/11/1986 -- A news conference was held in Bucharest at the end of the visit paid to Romania by a delegation of the Supreme Soviet of the USSR led by I.V. Kapitonov, deputy to the Supreme Soviet, chairman of the Central Auditing Commission of the CPSU.

Referring to their reception by President Nicolae Ceausescu, I.V. Kapitonov stated: During the interview stress was laid on the achievements scored in the Soviet-Romanian collaboration and on what should be done to raise it on to a higher stage. The interviews between Comrade Mikhail Gorbachev, general secretary of the CC of the CPSU, and Comrade Nicolae Ceausescu, general secretary of the RCP, president of Romania, play a decisive role in the development of bilateral relations in all domains.

Our visit to Romania, the guest further said, gave us the opportunity to get acquainted with the Romanian people's achievements, to meet with Romanian people, with those who ensure the country's firm advance on the road of socialist construction through their work and energy. I.V. Kapitonov also referred to the fruitful collaboration between the parliaments in the two countries both bilaterally and internationally. In the context he underlined the importance of the actions for peace, for a world free of nuclear weapons.

CONSTANTIN MEETS USSR MINISTER SHKABARDNYA

AU291853 Bucharest AGERPRES in English 1438 GMT 29 Nov 86

[Text] Bucharest AGERPRES 29/11/1986 -- Deputy Prime Minister Nicolae Constantin received on Saturday, November 29, Mikhail Shkabardnya, minister of instrument-making, means of automation and control systems of the USSR, now on a visit to Romania.

Aspects of the Romanian-Soviet economic cooperation were approached during the interview in the spirit of the understandings covenanted during the meetings between Nicolae Ceausescu and Mikhail Gorbachev. Tangible measures to develop cooperation in electrical engineering were analysed in that context.

HASANI ASSESSES 'FRIENDLY' VISIT TO ROMANIA

AU301833 Belgrade BORBA in Serbo-Croatian 24 Nov 86 p 3

[Text] Belgrade, 23 Nov (TANJUG) -- "We are returning from our friendly visit to the Socialist Republic of Romania with a great feeling of satisfaction because of the warm welcome and attention paid throughout the whole of our stay." This was stated by Sinan Hasani, president of the SFRY Presidency, on his return to Belgrade from Bucharest.

In his statement to the Yugoslav press, radio, and television, President Hasani also said the following:

"We regard all this as an expression of the sincere friendship of the Romanian people toward Yugoslav peoples. We are also very satisfied with the substantive and fruitful talks which we held with President Ceausescu.

"We also spoke about all bilateral relations and cooperation, possibilities for their further advancement, as well as about the most important matters in international relations and foreign policies of Yugoslavia and Romania.

"This visit has also confirmed that our relations are developing successfully in the spirit of good-neighborliness and mutual trust and respect. As such, they have wider significance, particularly for the state of affairs in the region in which our two countries are situated, and beyond that, for Europe as a whole.

"Particular attention in our talk was paid to the further promotion of economic relations. In that respect we have reached some concrete agreements which should help toward this form of coperation elevate itself to a higher level. Among other things an agreement about cooperation in border regions was signed. We also held concrete talks about improving bilateral relations in all other areas of mutual interest.

"In exchanging views on international matters, particular attention was paid to the strengthening of peace and security in the world, halting the arms race, the development of the CSCE process and ways of relaxing tensions in international relations, and for removing problems which burden them. We jointly noted the major role and importance of the nonaligned countries in this field.

"Of course, we also spoke about the region we live in and concluded on that occasion that there is a need to invest further efforts for the development of bilateral as well as multilateral cooperation among all the Balkan countries, and for turning the region into a zone of lasting peace, security, cooperation, and good-neighborly relations.

"Because of all this I would like to stress that this visit is yet another demonstration of the traditional friendship between Yugoslavia and Romania. It will give a new impetus to the expansion and strengthening of the mutually useful cooperation between Yugoslavia and Romania."

Sends Greetings to Alia

LD281758 Belgrade TANJUG Service in Serbo-Croatian 1423 GMT 28 Nov 86

[Text] Belgrade, 28 Nov (TANJUG) -- On behalf of the SFRY Presidency, Sinan Hasani, president of the SFRY Presidency, has sent a congratulatory telegram to Ramiz Alia, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, on the occasion of Albania's national holiday.

UN Message on PLO

LD282218 Belgrade TANJUG Domestic Service in Serbo-Croatian 1449 GMT 28 Nov 86

[Text] Belgrade, 28 Nov (TANJUG) -- On the occasion of the day of international solidarity with the Palestinian people on 29 November, Sinan Hasani, President of the SFRY Presidency, sent the UN committee for the realization of the inalienable rights of the Palestinian people a message from the SFRY Presidency, which once again emphasizes Yugoslavia's full support and solidarity with the heroic struggle of this nation for freedom, self-determination, independence, and their own state on their national soil.

The message underline, among other things, that the Palestinian people, under the leadership of their sole legitimate representative, the PLO, have shown their readiness to seek solutions for the realization of their inalienable rights by peaceful means through negotiations on the basis of party and equality, but at the same time have shown their determination to oppose any solutions taken without their involvement and at their cost.

There cannot be a comprehensive, lasting, and just solution to the crisis in the Middle East, the SFRY Presidency message says, without Israel's unconditional withdrawal from all Palestinian and Arab territories occupied in 1967 and later -- including Jerusalem -- and without the realization of the inalienable rights of the Palestinian people to freedom, self-determination, a return to their homeland, and the right to set up their own independent state on their national soil. Only in this way can the rights of all the nations and countries of the region be guaranteed within the framework of internationally recognized borders, the message says.

In this spirit, the nonaligned countries once again at the eighth summit in Harare called on the United Nations to provide an adequate outline for a just and lasting solution to the Palestinian question and the Middle East crisis as a whole, on the basis of the relevant resolutions and decisions of the General Assembly and the Security Council. They also called on the Security Council to form a preparatory committee with the participation of the council's permanent members, which would establish effective modalities for holding an international peace conference on the Middle East under the auspices of the General Assembly.

Yugoslavia will continue through these efforts of the nonaligned countries to give its full support, the message stresses in conclusion.

MILITARY CHIEF RECEIVES SOVIET COUNTERPART

LD281258 Belgrade TANJUG Domestic Service in Serbo-Croatian 1108 GMT 28 Nov 86

[Text] Belgrade, 27 Nov (TANJUG) -- Colonel General Zorko Canadi, chief of the General Staff of the Yugoslav People's Army, received in the Federal Secretariat for National Defense in Belgrade today Colonel General M.A. Gareyev, deputy chief of the General Staff of the USSR Armed Forces, who is on a working visit to our country and its Armed Forces.

During the meeting there was discussion of inter-army cooperation between the two countries, especially in the sphere of scientific and technical development. Lieutenant Colonel General Drago Rakocevic was present at the meeting.

TRADE TALKS WITH EC SET TO RESUME 2 DEC

LD301512 Belgrade TANJUG in English 1228 GMT 30 Nov 86

[Text] Belgrade, Nov 30 (TANJUG) -- On the eve of Yugoslavia-EC trade negotiations in Brussels December 2, prospects for Yugoslavia's greater exports to the community area still remain rather unfavourable -- Yugoslav Chief Delegate Ranko Radulovic has told TANJUG.

Through bilateral contacts with EC members, however, readiness has been expressed for improved cooperation what may facilitate the community's accepting Yugoslavia's requests for a freer access to its market, Radulovic hoped.

He explained that Yugoslavia believed the effected marketing of Yugoslav goods should be taken as the basis to determine a larger volume of its tariff-free exports to EC in the next five years. Specified on this basis, new provisions would help implement the trade agreement principles by a facilitated access of Yugoslav-made commodities to the Community market.

In January-October 1986, Yugoslav exports to EC rose three per cent to 2,115 million dollars and imports increased five per cent to 3,022 million dollars from the year-earlier period, said Radulovic and added that Yugoslavia's re-rising trade deficit was arousing concern. He said this was due to low quotas which restrict greater Yugoslav tariff-free exports of many, especially industrial, articles.

Yugoslavia demands greater quotas for its industrial articles because they have over a number of years been far exceeded. The quota situation is similar with agricultural which, however, have subsided over recent years, expecially this year.

The forthcoming trade talks with EC, said Radulovic, affords the chance of reviewing Yugoslavia's requests more objectively the more so as this is the only Mediterranean country that does not have the full access to the EC market despite the Community's proclaimed policy.

SUNDIC EXAMINES U.S. STANCE ON SALT II

LD300054 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 29 Nov 86

[Milika Sundic commentary]

[Text] The world is not surprised by the U.S. decision to renounce SALT II but it is justified in being very concerned about the potential consequences which could result from such a decision. The other superpower which, signed the SALT II accord -- the Soviet Union -- is not likely to sit with its arms crossed, which means in practice that there will be a further cooling in relations between Washington and Moscow, as well as a serious stagnation in the Geneva talks on reduction and limitation of missiles and demilitarization of space. This was also predicted by Mikhail Gorbachev at a news conference in New Delhi, in his first reaction to Reagan's decision, which he assessed as mistaken.

The SALT II accord was signed in Vienna 7 years ago by former U.S. President Jimmy Carter and Leonid Brezhnev. However, the U.S. Congress has never ratified SALT II, although the two superpowers adhered to what was agreed until 2 days ago. The United States bases its decision to renounce SALT II on the accusation that the Soviet Union has done the same thing, by allegedly doubling the number of strategic warheads from 5,000 to 9,200. It is also claimed that the Soviet Union breached the accord on ballistic missiles, which the two superpowers signed back in 1972. Finally, Moscow is criticized because it had introduced the SS-25 missiles into its missile forces, which is also contrary to the SALT II accord.

However, the Soviet Union has denied all the U.S. accusations as unfounded. Moscow considers that behind Reagan's decision to depart from the SALT II accord lies the U.S. aspiration to achieve military supremacy over the Soviet Union. Moscow finds a reaffirmation of this in the U.S. resolve to realize in full Reagan's idea about the Strategic Defense Initiative, known as the SDI, which was, let us recall, the cause of the failure of the Reykjavik summit.

The question now arises: What next? SALT II no longer exists, which will quite certainly result in a further deepening of mistrust between Moscow and Washington. True, the dialogue on disarmament will be resumed, but judging from the present state of affairs, without any particular prospects of some kind of progress on this level. Moreover, many are wondering whether Reagan is at all ready to come to an agreement with Moscow, considering that he had done nothing in this respect in the past 6 years of his term at the White House. Now, after the exposure of the Iran affair, which has shaken Reagan's position, prospects for negotiations between Moscow and Washington have become even slimmer.

As for as the future behavior of the Soviet Union is concerned, everything leads to the conclusion that Moscow will not give up the proposals set out in Reykjavik, even at a cost of being forced to reply to the latest U.S. challenge. In any case, the situation is getting more complicated, which cannot be good for either of the superpowers, which bears the brunt of the responsibility for this.